nkdf

Nechako-Kitamaat
Development Fund Society

2007 – 2008
Annual Report

March 31, 2008

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NKDF ANNUAL REPORT

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1. Report From The Chair

This concludes nine years of service to our member communities and I thank the directors, both active and retired, for their commitment to deliver decisions that are fair and adherent to NKDF guidelines and principles.

This has been a successful year for NKDF. It has been personally rewarding to be part of the organization as it invests in an increasing number of projects and profile in the communities throughout the investment area. To date, the Society has approved just over $4.86 million for projects across the region. During the past year we approved $730,517 for the 2007-2008 fiscal.

One of the rewarding aspects of Chairing NKDF is that I am able to visit each of the communities and am privileged to attend grand opening events and cheque presentations. This gives me an opportunity to see first hand the economic impact of our ongoing efforts. In Vanderhoof, this begins at the edge of town with the community signs and carries through to the downtown revitalization and on to the Vanderhoof airport.

The new well constructed by the Regional District of Bulkley Nechako supplies Fort Fraser residents with fresh clean water. In Fraser Lake the newly refurbished Arena will be the home of many sports events for many years into the future, and the Fraser Lake wharf continues to make the waterfront more accessible and usable for residents and visitors.

One of the first sights to greet visitors to Southside is the SEDA Centre, just to the left of the ferry terminal; an NKDF contribution helped enable improvements to the Visitor Information Centre. An impressive amount of volunteer efforts on the part of the residents of Grassy Plains, enhanced by a small NKDF investment, made possible some much needed renovations to the community hall there.

NKDF has been privileged to contribute to a number of projects in Burns Lake this year, including the mountain bike park, upgrades to the arena and to the fall fairgrounds. Lakes District will also soon enjoy a new terminal building at the Baker airport and major improvements to Nourse Park through the Spirit Square project in progress there.

Kitamaat Village Council will complete a vital archiving project this year, bringing together all the important historical documents. KVC is also exploring the feasibility of developing a marine shipping service to small, outlying coastal communities and areas.

I invite you to visit our website at www.nkdf.org for more information about our activities, our directors, the results of decisions, as well as financial and annual reports.

We recruit directors from our member communities and they serve terms which vary in duration, based on the time commitment that directors are willing to offer their service. We accept applications from potential directors on an ongoing basis in order to have the names of candidates available for consideration to fill vacant seats which occur throughout the year.

In closing, I wish to thank Dan Boudreau for his continued diligence and commitment to effective administration of our processes.

Original Signed by:
Paul Stewart, Chair

2. Society Overview

2.1 Mandate

The Nechako-Kitamaat Development Fund (NKDF) Society's funding programs are designed to support sustainable economic activity in northern communities affected by the Kitimat-Kemano project and by the creation of the Nechako Reservoir. The NKDF Society spends the income from its long-term investments on programs and projects that meet each community's goals for economic development and community stability.

2.2 Background of the Fund

In 1997, the Government of British Columbia and Alcan Inc. each contributed $7.5 million to create the BC-Alcan Northern Development Fund. This BC-Alcan Agreement settled the legal issues between Alcan and the BC Government that arose from cancellation of the Kemano Completion Project. In January 1998 an advisory Board for the Northern Development Fund was formed. Its job was to advise the government on how the Fund should be run to stimulate economic growth. In April 1998, the legislature passed Bill 5, the "BC-Alcan Northern Development Fund Act."

Enabled by this Act, and by the recommendations of the advisory Board, the NKDF Society was incorporated on August 18, 1999. The Minister of Economic Development appoints Board members to represent the communities of the Nechako-Kitamaat area.

2.3 Investment Area

The investment area for the NKDF is normally limited to those communities with evidence of impacts from Alcan's Nechako Reservoir and Kemano power project. We encourage applications from local governments and legally incorporated non-profit organizations serving the following communities:

District of Vanderhoof	Nadleh Whut'en Band	Burns Lake Band
Fort Fraser	Kitamaat Village	Nee Tahi Buhn Band
Village of Fraser Lake	Stellat'en First Nation	Skin Tyee Band
Village of Burns Lake	Saik'uz First Nation	Cheslatta Carrier Nation
Ootsa Lake		

Applications may be accepted from other areas of Northwestern BC, provided the listed communities receive direct economic benefits from the project and demonstrate their support for the project.

2.4 Guiding Principles of the Fund

COMMUNITY ECONOMIC DEVELOPMENT	The NKDF will invest in community economic development projects and/or programs that are supported by the community, as long as they do not subsidize private business.
JOB CREATION & ENHANCEMENT	Creating new jobs and enhancing existing jobs are priorities of the NKDF.
SUSTAINABLE EMPLOYMENT	A priority of the Fund will be to support long term employment - both full time and seasonal.
COMMUNITY INTERRELATIONSHIPS	The Fund recognizes the value of interrelationships between communities. Consideration will be given to proposals from outside the Nechako Region and Kitamaat Village if they demonstrate a benefit to those areas.
CLEAR AND ACCESSIBLE	The Fund will have policies and programs that are accessible with clearly defined evaluation criteria.
FIRST NATIONS' PARTICIPATION	First Nations' participation in the Fund will not prejudice the First Nation land claim process.
LOCAL CONTROL	The majority of NKDF Directors will reside in the investment area. The Board will determine the ongoing management of the Fund consistent with provincial government policy.
BENEFITTING FUND	The Fund is intended to create benefits through sustainable community economic development. It is not intended to be compensation for those who believe themselves to have been negatively affected by the Kitimat-Kemano Project, the creation of the Nechako Reservoir or the cancellation of the Kemano Completion Project.
COOPERATIVE VENTURES	The Fund can be utilized in cooperative ventures along with other funding sources.
NO DUPLICATION	The Fund will not duplicate but may augment existing economic development programs.
WORKING FUND	$5 million from the original $15 million Fund is in a working fund to invest in current grant programs.
LEGACY FUND	$10 million from the original $15 million Fund is in a legacy fund, which is invested to finance activities into the future in perpetuity.

* Fund investments are managed by the British Columbia Investment Management Corporation. Monies of the Northern Development Fund – to be used in support of the programs of the NKDF Society – are in investment vehicles that are generally conservative but that also provide some opportunities for growth.

2.5 Society Management

The NKDF Society is governed by a northern-based Board of government appointees who live in the investment area and represent a range of interests. Board seats during the past year were held by:

- Justus Benckhuysen, Rio Tinto Alcan Inc.
- Gloria Catherall, Burns Lake
- Keith Federink, Vanderhoof
- Ray Gerow, Prince George
- Colleen Nyce, Rio Tinto Alcan Inc.
- Mike Robertson, Southside
- Crystal Ross, Kitamaat Village
- Kevin Stewart, Kitamaat Village
- Paul Stewart, Vanderhoof (Chair)
- Linda Woodruff, Vanderhoof (Secretary/Treasurer)

During the past fiscal year, Colleen Nyce's term ended.

Management services are provided through a contract with Dan Boudreau dba Macrolink Action Plans Inc., based in Prince George, British Columbia.

2.6 Government Relations

Since the Society's incorporation in 1999, the provincial government has transferred $5.8 million from the Northern Development Fund to the NKDF Society for its operations and programs. The balance of the original $15 million remains under the control of the BC Investment Management Corporation. (See financial statements for detailed balances of the Society's accounts.)

The Directors and Manager report to the Minister of Economic Development. The Minister is responsible for approving the Society's annual business plan and for appointing all Society Directors. This reporting relationship is intended to ensure that the Society's actions continue to adapt to changes in provincial government priorities and direction.

In addition to the Society's relationship with the province, the Society also has relationships with federal government ministries and agencies such as Service Canada, Western Economic Diversification and Indian and Northern Affairs in order to coordinate work on projects of mutual interest.

3. Goals and Achievements

This section is includes information from the formal evaluation form completed by Society Directors at the end of each fiscal year, where criteria are judged on a score of 1 to 4, with 1 being poor, 2 being fair, 3 being good and 4 being excellent. The goal is to achieve scores of 3 or 4, and to develop strategies to improve in areas that are scored only 1 or 2.

3.1 Operations

Board Operations

There were three regular Board meetings this year and four conference calls. The meetings were located in Fraser Lake, Kitamaat Village and Vanderhoof.

In the annual evaluation, Directors rated most aspects of operations as good and some as excellent. While it was generally felt that conference calls are an effective way to conduct business during the winter, Directors expressed the importance of continuing to meet face to face as well.

Directors generally were satisfied with the frequency of Board meetings and with the decision making process. Directors agree that the Board meetings provide an effective forum for healthy, open-minded discussion and that the consensus method is working well for decision making. The Society benefits from a mix of Directors with various background experience and interests, and who work well together for the economic benefit of all communities in the investment area.

During the upcoming year, Directors plan to revisit the strategic plan and vision for the organization, as well as continuing to attend grand opening and publicity events where possible.

Management Services

In the annual evaluation, Directors rated the Management Services at good to excellent. Directors were generally very pleased with the flow of information and the increased awareness of NKDFS in the communities throughout the investment area.

The Manager is doing an effective job of providing agendas well in advance of meetings and keeping Directors informed between meetings. Applicants are well informed by the Manager, which means they understand NKDF requirements and protocol and are able to provide the right information to enable Directors to make the best decisions possible.

The Manager will focus on three main areas for the upcoming year: effective screening of project applications, working with proponents to clarify deliverables for each project, and continuing to increase the NKDF profile in the communities. Directors expressed an appreciation for the quality of the Management Services and in particular, the Manager's communication with Board members, clients and applicants.

3.2 Programs

Community Grant Program

The Society received a total of 34 new applications during the year and approved 26, totalling $730,517 for the entire investment area for the 2007-2008 fiscal.

This year the majority of Directors rated the Community Grant Program as good to excellent. During this fiscal year Directors reviewed and updated the NKDFS vision. Funds are being allocated effectively to each of the areas and the grants are for worthwhile projects that benefit the communities and the investment area. Directors are pleased to have successfully leveraged Society funds with investment funds from other agencies.

For the upcoming year Directors and the Manager will continue to promote the programs and work to increase the uptake in the smaller communities. Directors agree that NKDF Society is benefiting from the increased recognition in the local media across the investment area. This year, Directors will review the program guidelines and make improvements to the application evaluation process.

Throughout the year the Manager and Directors welcome feedback from applicants and constituents of the investment area. At the same time, the Directors focus on ensuring the fund is safeguarded by making informed decisions that bring the highest value to government, business people and communities outside the investment area.

Detailed descriptions of this year's approved projects are in section 4.

Community Legacy Fund Program

The Community Legacy was established in 1999, when $10 million of the Society's funds were invested to grow and to perpetuate NKDF programs into the future. The Community Legacy Fund is currently held at the BC Investment Management Corporation and the value as of March 31, 2008 is $15,320,522. Now that the principal has reached that value, the amount of the fund exceeding inflation is spent annually on operations and grants.

Business Loan Program

The Business Loan Program was cancelled as a result of the government-led performance review in 2003. The review ruled that the program creates a business subsidy, and is therefore contrary to current government policy. At the beginning of this fiscal year one loan was outstanding and has been paid in full, bringing this program to a close.

4. Grants Program Details

The Society approved $730,517 in new grants this year, bringing the total approved funding to $4,801,371 since inception. The following table shows grant proposal statistics in this year and all prior years since the inception of the fund.

Year	Proposals Received	Proposals Approved	Proposals Not Approved	Total $ Committed	Total $ Paid
2007-2008	34	26	8	$730,517	$606,052
2006-2007	24	17	7	$808,000	$1,175,240
2005-2006	24	19	5	$623,169	$625,151
2004-2005	24	20	4	$499,000	$516,000
2003-2004	45	31	14	$1,173,687	$484,779
2002-2003	8	7	1	$98,165	$234,684
2001-2002	20	11	9	$516,561	$245,638
2000-2001	13	6	7	$137,334	$149,684
1999-2000	9	5	3	$96,021	$25,000
Total	000	142	58	$4,801,373	$5,000,000

The following table summarizes proposals not approved during this fiscal year:

Project	Date	Requested	Reason for Decline
Chairs for Community Hall	19-Jul-07	$4,000	Weak link to economic development
Drowned Forest Inventory	19-Jul-07	47,000	No apparent economic benefits
Books for Babies	19-Jul-07	795	Weak link to economic development
Progress House	3-Oct-07	300,000	Declined as presented
Industrial Land ID Study	29-Jan-08	30,000	Declined as presented
Skating Rink	29-Jan-08	21,000	Weak link to economic development
Bedouin Water Testing	25-Mar-08	105,100	Lack of evidence of economic development from previous projects
Information Brochure	25-Mar-08	25,000	Funding available through sales

This table summarizes the grant projects approved or under contract during in the 2007-2008 fiscal year. Summaries are included for each of the approved projects in the following table.

Recipient	Project	Approved	Status
[illegible] Aboriginal Assn/HEGAR	Witnessing Up The North	$7,000	In progress
Burns Lake Band	Community House	$5,000	In progress
Burns Lake Mountain Bike Assn	Bike Park	$5,000	In progress
Burns Lake Native Development Corp	Coal/Coal+ Feasibility	1,000	In progress
Burns Lake Native Development Corp	Block Processing Plant	$5,000	In progress
Burns Lake Sport Centre Assn	Arena Energy Saving	$5,000	In progress
Chesterfield Centre Hudson	Wood Chipper	$5,000	In progress
CFDC of Fraser Fort George	ICAMC Conference '08	5,000	In progress
CFDC of Nechako	Poultry Processing	5,000	In progress
District of Hazelwood	Snowdown Route (27 km)	$5,000	In progress
District of Hazelwood	Interpretive Centre	15,000	In progress
District of Hazelwood	Spirit Square (27 km)	19,317	In progress
District of Hazelwood	Sportsfield/Stadium (27 km)	$5,000	In progress
Fort St. James Ski Club	Murray Ridge		$30,000
Gyet'ina Youth Hosting Centre Society	Feasibility Study	5,000	In progress
Kitamaat Village Council	Haisla Montreal	$5,100	In progress
Kitselas Village Council	Marine Shipping Lines	15,000	In progress
Lakes District Airport Society	Baker Terminal Building	$40,000	In progress
Lakes District Fall Fair Assn	Building Upgrades	$5,100	In progress
Lakes Economic Development Assn	Community Signs	15,000	In progress
Nechako Valley Historical Society	Ski Lake Renovation	$5,000	In progress
Regional District of Bulkley Nechako	Ft. Fraser Beautification	5,000	In progress
Southside Economic Development Assn	Grassy Plains Hall	5,000	Complete
Village of Burns Lake	Skyline Park (2)	$5,000	In progress
Village of Fraser Lake	Arena Upgrade (2)	$25,000	Complete
Village of Fraser Lake	Southside Development	$50,000	In progress

Note: These approved amounts are not included in the table above. They are Hazelwood Snowdown Revitalization ($48,000), Hazelwood Sportfield & Stadium ($15,000), and Fort St. James Ski Hill ($40,000). These amounts, totalling $140,000, will be included as part of the 2008-2009 budget.

6. Project Descriptions Sorted by Location (East to West)

6.1 Haisla/Kitamaat Projects

[illegible] [illegible]

[illegible] [illegible]

[illegible]

[illegible] [illegible] & [illegible]

[illegible] [illegible]

[illegible]

[illegible]

[illegible] [illegible]

[illegible]

[illegible]

[illegible]

The Palace of Vanderbilt will continue to demolish its Shadow Complex, a partnership with famous Palace of the Ancient Peninsulas and Wide Program. Madden Economic Superstructure and MMR. The new project is the project to a residence controlled under adjoining field, a six-acre single-zoning town and the organization. Phase One will include construction of [illegible] centre with showers, concessions administration maintenance building, electrical and plumbing. The site is occupying 45,000 sqft with some classroom and swimming properties occupying the interior of Vanderbilt. The project was also approved for an additional amount of $15,000 for the following year. The project was promoted by VP as a community meeting in Vanderbilt.

[illegible]

[illegible]

The building that houses the [illegible] is approximately part of century town of town. It is a registered heritage building constructed in 1916 for the town with the building from the Historical Society and employs a staff size of complete staff during summer months. The building is up on the to the Mountain Valley Historical Society, covering both the with and a number of collections. In [illegible] the goal plan is to become a significant Southern historical attraction and create economy — while for the area. Funds will go toward fitting, moving and refurbishing the building, as well as, engineering and utilities upgrades and conveniences. Architectural payment of the project include the Registrar Palace of Building Services, Union of Global Columbia Municipalities, Glasgow Credit Union and Mountain Valley Historical Society.

1.2 [illegible]

[illegible]

[illegible]

The Village of Forest Lake is planning a number of improvements to the local Recreation Facility. The MMR assisted with funding for the engineering for the project. Some short term benefits will result from the construction phase of the project, but the enduring benefits will be the quality of life in the community. Adapting to global and local events, and trade trade investments, responsibilities for each private refugees into the community to upcoming events. Funding planners for this project include the Village of Forest Lake, Alcoholic Rehabilitation and Wide 2010 and the Northern Development Trust Initiative.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

CropCam Feasibility — $1,000

Burns Lake Native Development Corporation

Funding is approved for BLNDC to determine feasibility of purchasing a mini-airplane for the purpose of providing geo-referenced aerial photos along predetermined geographic position system (GPS) routes. In the last three decades, advancements in digital computers, satellite position sensing, solid-state inertial sensing, and video imaging have made possible the first generation of small, affordable, robotic aircraft that require only moderate operator skills and can provide useful image data. These vehicles typically have a wingspan of less than 6 feet and weigh less than 10 pounds, so they pose minimal safety hazards to the public. Because they fly at low altitudes (less than 500 feet), they operate below the airspace where full-size aircraft operate. This project is a partnership involving NKDFS and BLNDC.

Block Processing Plant — $29,340

Burns Lake Native Development Corporation

After the closing of Burns Lake Specialty Woods in 1999/2000 due to dwindling sales, weakening housing markets and high operational costs, BLNDC purchased the old BSW site. BLNDC has engaged a private partner to assist utilizing new edge glued technology in producing laminated finger joint products. The facility is estimated to provide between 20 to 30 jobs during the first years of operation with a potential of 50 full time jobs once the market demand reaches capacity in years 4 years. The Block Processing Plant will be jointly owned by the six First Nations who make up the board of directors of BLNDC. Funds are provided to assist with training, education and safety equipment for new workers for the plant.

Avana Energy Saving — $25,240

Burns Lake Sport Centre Association

The proponent first applied for funding for upgrades to the Avana in October 2005 and received assistance from NKDFS for improvements to the facility (including rubber flooring, install roofs, painting, light bulbs, furnace, and floor scrubber). The project was successfully completed. This component of the project is to complete energy saving upgrades oriented toward lowering the cost of maintaining the facility, including a refrigeration system, insulating gable ends, installing a new heating system and improving the water supply. Funding partners for this project include NKDFS, the Village of Burns Lake and the Regional District of Bulkley Nechako.

Wood Chipper — $29,550

Cheslatta Carrier Nation

During the winter of 2006-2007 the Lakes communities experienced record breaking snowfalls, the weight of the snow collapsing buildings, downing power lines and trees from Houston through to Fort Fraser. As a result, there is a need to clean up massive amounts of woody debris on rights of ways, yards, roads and hay meadows. With the help of NKDFS funding assistance, Cheslatta Carrier First Nation purchased a large capacity wood chipper and now contracts clean-up jobs throughout the area. Once established, the operation will expand to include other types of work, such as tree trimming, pruning and brush clean-up. The proponent began training workers during the spring of 2007 and began working in the field during the summer of 2007.

Baker Airport Terminal Building **$100,000**

Lakes District Airport Society

Lakes District Airport Society is constructing a 2,500 sq. ft. terminal building at the Baker Airport. The airport, located 20km west of Burns Lake, currently has no heated facility for visitors or medical staff. LDAS plans to recover costs ongoing to operate and maintain the building through meeting room rental, membership increases, cafeteria lease and office rental. The terminal building and the planned increase in service are necessary parts of the Lakes District efforts to combat the impacts of the mountain pine beetle infestation by diversifying the economy.

Building Upgrades **$22,140**

Lakes District Fall Fair Association

The fair grounds are home to the annual agriculture fair, which has been ongoing for more than 60 years. LDFFA is approved to receive funding to assist with building a barn for heavy horses and other stock as well as upgrading the addition of the exhibit hall by putting in a concrete floor, permanent lighting and plumbing. By offering improved facilities, the Association hopes to create economic benefits by increasing the number of attendees, events and expenditures to the Lakes District.

Community Signs **$15,000**

Lakes Economic Development Association

Lakes Economic Development Association is approved for funding assistance with this downtown Burns Lake revitalization project, comprised of creating and replacing the easterly and westerly "Welcome to Burns Lake" community signs, as well as adding a 3rd entrance sign south to town.

Nourse Park **$30,000**

Corporation of the Village of Burns Lake

The Village of Burns Lake plans to develop a community waterfront park to create a passive and active recreation and meeting area for residents and visitors. Proponent has chosen the 2.5 acre property currently known as Nourse Park for this project. The proposed project is planned to include a bandstand and seating area, an open grassy area, greenery, pathways, historical statues/art, and general amenities such as newly constructed washroom facilities, an irrigation system, lighting and a concession stand. Confirmed partners in this project include the Province of British Columbia, Village of Burns Lake, Northern Development Trust Initiative, Union of British Columbia Municipalities-Health, Municipal Reserves, and Green Trees. Other partners have been approached, but are not currently confirmed.

Grassy Plains Community Hall **$3,000**

Southside Economic Development Association

NKDFS approved funding to assist with repairs to the Community Hall in Grassy Plains, specifically repairs to the broken walkway, railings and overhead roof, and installation of a Plexiglas windbreak along the back deck. The Community Hall has been in existence almost 40 years, has been and will continue to be maintained by the self-sustaining Grassy Plains Community Hall Association., largely supported through fundraisers and volunteer efforts. This project was a partnership between NKDFS, Southside Economic Development Association and the Grassy Plains Community Hall Association.

5.4 Kitamaat Projects

Haisla Archives **$20,100**

Kitamaat Village Council

The purpose of this project was to hire and train an archival assistant to go through files, determine what's worth keeping, create duplicate hard copies and digital copies and purge all irrelevant information. Until this project was implemented, important Haisla documents and information was stored in various buildings and locations in the community. One objective of this project is to build capacity; to that end the Archival Assistant trainee is of Haisla descent. The project is managed by Project Leader Dr. J.V Powell, Professor Emeritus Department of Anthropology (UBC). This project is a partnership funded by Kitamaat Village Council and NKDFS.

Haisla Marine Shipping Lines **$10,000**

Kitamaat Village Council

Kitamaat Village Council is exploring the potential and feasibility for a marine ferry service between Kitamaat Village and a number of smaller, remote coastal communities. The project is in two phases, the first phase including the feasibility and creation of a business plan, and the second phase involving the securing of assets and commencing business operations. This phase of the project is funded in partnership by NKDFS, Kitamaat Village Council and Indian and Northern Affairs Canada.

Feasibility Study **$5,000**

Gya'Wa'Tlaab Healing Centre Society

Gya'Wa'Tlaab Healing Centre Society is located in Kitamaat Village and has a mandate to help addicts who have failed other treatments. The Society wishes to determine feasibility of operating the facility as a social enterprise which would create economic benefits for the community. If successful, the applicant will seek funding assistance to renovations to the building. This project is funded in partnership by NKDFS and Gya'Wa'Tlaab Healing Centre Society.

5.5 Regional Projects

Measuring Up The North **$7,500**

BC Paraplegic Association/North Central Municipal Association

Measuring up the North is a project conceived and managed in partnership by the North Central Municipal Association (NCMA) and the BC Paraplegic Association (BCPA), supported by the BC Healthy Communities Initiative. The *Measuring up Initiative* was created by the 2010 Legacies Now to encourage communities to evaluate themselves for accessibility; it is a 'guide and process', no funding is provided for the process. The purpose of this project is to assess and improve accessibility for all people in the northern communities. Funding assistance is for Coordinator wages and office and equipment costs. Partnering organizations include NKDFS, North Central Municipal Association, BC Paraplegic Association, 2010 Legacies Now, BC Healthy Communities Initiative, the Real Estate Foundation of BC and the Prince George United Way.

Economic Development Association Conference **$2,500**

Community Futures Development Corporation of Fraser Fort George

The City of Prince George will host the 2008 Economic Development Association of British Columbia (EDABC) conference. The purpose of the Conference is to gather 150 economic development professionals together to broaden educational and professional development opportunities. This project is funded by numerous organizations from across the province.

Murray Ridge Ski Hill Redevelopment **$0**

Fort St. James Ski Club

In partnership with the District of FSJ, the Fort St. James Ski Club has created a Redevelop Plan to upgrade the Murray Ridge Ski Hill. NKDFS approved this project for an amount of $40,000 from the following year's budget, to assist with the well and water system, marketing, purchase of a groomer and a radio system. Funding partners for this project include the Towns for Tomorrow Program, District of Fort St. James, and Murray Ridge Ski Hill.

Poultry Processing Feasibility **$3,250**

Community Futures Development Corporation of Nadina

Changes in Meat Inspection Regulations under the Food Safety Act (September 2007) are directly impacting small-lot livestock producers living in British Columbia. After September 2007, small lot poultry growers living along the Highway 16 corridor will have no way of legally slaughtering chickens and turkeys for public sale. The goal of this project is to conduct the necessary research to produce a feasibility study for the different poultry processing options that would be practical for communities along the Highway 16 corridor from Vanderhoof through to Hazelton. This project is funded in partnership by NKDFS, Ministry of Economic Development, Bulkley Valley Credit Union, Bulkley Valley Farmers Market Association, 4-H Council-Bulkley Valley Regional District, Regional District of Bulkley Nechako, Megan D'Arcy (in-kind), and Community Futures Development Corporation of Nadina.

6. Financial Highlights at March 31, 2008

2007-2008 Income and Expenses	Budgeted	Actual
Administration Expenses	$80,861	$73,569
Grant Payments[1]	$1,376,207	$448,262
Investment Income	$80,781	$36,485
Loans, Principal And Interest Repaid	n/a	n/a

Note to administration expenses: Administration costs were lower than projected, partially because two representatives kindly served at their employer's expense (BC Government and Alcan). Manager fees were $50,271, Director Honoraria totalled $6,438, travel and meeting costs were $6,458 and the balance of $10,377 was for accounting, advertising and office expenses.

Note to grants: The Society approved a total of $730,517 in new grants for the year.

Note to investment income: NKDF investments are held at Integris Credit Union in Vanderhoof and with Phillips Hager and North (PHN).

Note to loans: No new loans have been made since the loans program was cancelled and the final loan has been paid in full. There were no outstanding loans at March 31, 2008.

Account Balances as of March 31, 2008	Assets	Liabilities
Loan Funds Receivable	n/a	
Cash and Term Deposits	$944,697	
Short Tem Investments	1,127,901	
Accrued Interest & Receivables	1,648	
Total Assets	$2,074,246	
Less Grant Commitments Outstanding		(676,207)
Total NKDF Assets Less Grant Commitments		**$1,398,039**

Combined assets: The balance of the original $15 million dollar contributions from Alcan and the BC Government are held in the Northern Development Fund, managed by the British Columbia Investment Management Corporation. The market value of this investment account as of March 31, 2008 was $15,320,522, so the combined assets of the NKDF and the Northern Development Fund total **$17,394,768.**

Annual Audit: The annual audit of the NKDF was completed in May 2008 by Edmison-Mehr Chartered Accountants (Smithers). The statements are attached as Appendix A.

[1] Includes prior year grant commitments and new grant expenditures.

Appendix A: Audited Financial Statements